

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of August 29, 2014
MINUTES**

CALL TO ORDER

A regular meeting of the Board of Directors of the Pebble Beach Community Services District (PBCSD) was held in the District Boardroom on August 29, 2014. Board President Leo M. Laska called the meeting to order at 9:30 a.m.

ROLL CALL

Present: Directors Jeffrey B. Froke, Richard B. Gebhart, Leo M. Laska, Peter B. McKee, and Richard D. Verbanec

Absent: None

Others Present

Mike Niccum, General Manager

Suha Kilic, Deputy General Manager/CFO

Robert Wellington, Legal Counsel

Nick Becker, Principal Engineer

Brennan Blue, Unit Chief, CALFIRE San Benito-Monterey Unit (CALFIRE)

Mark Edria, Assistant Fire Chief, CALFIRE

Buddy Bloxham, Battalion Chief, Operations, CALFIRE

Bob Siegfried, Board Director, Carmel Area Wastewater District (CAWD)

Vinod Badani, E2 Consulting Engineers

Bob Hutchison, Board Director, Del Monte Forest Property Owners (DMFPO)

Jerry Verhasselt, President, Open Space Advisory Committee

Hampton Stewart, Pebble Beach Resident

Mark Stilwell, Executive Vice President, Real Estate, Pebble Beach Company (PBC)

Laura Dadiw, Board Clerk, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

Mr. Niccum introduced the new CALFIRE Unit Chief for the San Benito-Monterey Unit, Brennan Blue. There were no requested changes to the agenda.

MINUTES

MOTION 14-08-01

Moved by Director McKee, seconded by Director Gebhart, and carried to approve, as presented, the minutes of the regular board meeting held on July 25, 2014. Director Froke did not attend the July meeting and abstained.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for July 2014. Mr. Kilic gave highlights of the report.

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report* for July 2014. Mr. Kilic gave a preliminary report on results of Fiscal Year 2013-14. Revenues are approximately \$450,000 higher than anticipated, mainly due to a low amount of property tax delinquencies; and operating expenses are approximately 90% of the amount budgeted.

Check Register

The Board reviewed the *Check Register* for July 2014.

MOTION 14-08-02

Moved by Director Verbanec, seconded by Director Froke, and unanimously carried to approve the July 2014 *Check Register*.

Monterey County Treasurer's Investment Report

The Board received and reviewed the *Monterey County Treasurer's Investment Report* for quarter ending June 30, 2014. Mr. Kilic reported the Treasurer's portfolio yield for the quarter was 0.51%. The yield, net of County administrative charges, was 0.44%. For comparison, the yield of the State Local Agency Investment Fund was 0.23%, continuing below the County portfolio over the last eight quarters, and the yield of the 2-year Treasury bill was 0.50%. Mr. Kilic provided information on the minor amendments to the Monterey County Investment Policy and Oversight Committee Charter, items taken up at the Treasury Oversight Committee meeting on August 22nd. The committee meets annually with Mr. Kilic serving as chair and the special districts representative.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for July 15, 2014 – August 14, 2014. Operations Chief, Buddy Bloxham gave highlights. The Fire Prevention Office is planning a "Zombie Run" and Emergency Preparedness Fair on October 18, 2014 as a public education and outreach program for youth and families.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for July 16, 2014 to August 21, 2014 prepared by Principal Engineer Becker. Forest Lake Reservoir storage measures 26 million gallons or 23% capacity, remaining below historical levels. Director Froke suggested suspending barley in net sacks into the reservoir as a natural method to curtail algae growth. Golf courses continue self-imposed conservation efforts. To increase recycled water supply, CAWD treatment for the last three months has mainly consisted of micro-filtration, with only occasional reverse osmosis treatment. A pilot project located near the Stillwater Cove pier is diverting dry weather storm water into the PBCSD sewer system to increase flow to the CAWD plant. Mr. Becker met with the State Division of Safety of Dams (DSOD) on August 14th in Sacramento. DSOD is open to PBCSD submitting a proposal for reservoir improvements to increase capacity.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects. AT&T anticipates three to four more months to finalize plans, install, and splice lines for completion of the Phase I Undergrounding Overhead Utilities Project. Pump Station P-6 improvement project is expected to begin in September and be completed in November 2014. The Fire Station Bathroom Remodel Project will include a redesign of storage room stairs to meet current building code.

Lodge Area Utility Improvement Project

The Board received and reviewed the *Engineering Report* on the Lodge Area Utility Improvement Project. The project includes a piece of the Phase II Undergrounding Overhead Utilities Project while simultaneously undertaking three other PBCSD / PBC utility projects. PBCSD will be lead on the four-component project. Upon completion of the project, PBC will reimburse PBCSD for the cost of the private domestic and fire water distribution systems component.

MOTION 14-08-03

Moved by Director Froke, seconded by Director McKee, and unanimously carried to approve a budget amendment to add the Lodge Area Utility Improvement Project in the amount of \$1,900,000; and increase the amount budgeted for capital outlays by \$800,000 in FY 2014-15. The difference will be funded by transfer of funds allocated for certain other capital items already included in the budget.

CAWD Board Meeting

Director Gebhart attended the CAWD board meeting held August 28, 2014. The 40 year-old CAWD outfall pipe that is currently suspended above the Lagoon is recommended to be reconstructed under the Lagoon. The CAWD board received the Phase 1 Capital Improvement & Rehabilitation Project Draft Initial Study / Mitigated Negative Declaration; the public review period will be September 1 – October 1, 2014.

The CAWD board discussed recent efforts related to the Carmel Lagoon Ecosystem Protective Barrier (EPB). CAWD board members and staff have met with stakeholders and politicians. A letter prepared by CAWD with PBCSD as a co-signatory was sent to the Army Corps of Engineers requesting the County maintain mechanical breaching of the Lagoon sand barrier as a condition of approving the project. CAWD also has submitted written comments to the County in response to the Notice of EIR Preparation for the EPB project. Director Verbanec plans to attend a meeting with Senator Monning next week regarding the matter.

Mr. Niccum gave highlights of the Silicon Valley Water Purification Plant tour with CAWD staff, arranged by CAWD Director Siegfried.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meetings

Director Laska provided a *Memorandum* of the Monterey Regional Waste Management District meeting held on August 22, 2014 and gave highlights. All jurisdictions involved with the joint solid waste and recyclables collection services proposal process have executed franchise agreements with GreenWaste Recovery, Inc.

GENERAL GOVERNMENT

PBCSD Newsletter Article Topics

The Board received and reviewed the *Deputy General Manager Report* regarding input on proposed articles for the District's Fall/Winter newsletter planned for publication late October or November 2014. Additional items proposed for consideration were the CAWD treatment plant improvements and the County EPB project.

ACWA/JPIA Commitment to Excellence Program

The Board received and reviewed the *Engineering/Safety Officer Report* regarding District participation in the Association of California Water Agencies Joint Powers Insurance Authority Commitment to Excellence Program focused on reducing the frequency and severity of liability, workers compensation, and property losses. The program would be basically an evaluation of the District's Injury Illness and Prevention Plan (IIPP) to incorporate best practices.

MOTION 14-08-04

Moved by Director Gebhart, seconded by Director Verbanec, and unanimously carried, to adopt *Resolution 14-18* authorizing District participation in ACWA/JPIA's Commitment to Excellence Program.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

The California Special Districts Association Annual Conference will be held in Palm Springs in September; Director Froke is planning to attend.

Questions from Directors or staff seeking clarification of matters within the purview of the District

There were no questions of clarification.

Oral reports or announcements from Board President, Directors or staff

Mr. Stilwell noted that CAWD had commissioned a consultant to study Reclamation Project's proportional share of planned upgrades to the Treatment Plant disinfection system. PBC was considering whether the Reclamation Project should bear any costs of improvements to the secondary system, if they would be undertaken regardless of the existence of the Reclamation Project. Mr. Niccum stated these types of costs have been negotiated between project participants in the past. The Technical Advisory Committee will consider this issue at the next meeting in September.

Mr. Stilwell gave an update of the planned Highway One/Highway 68 Roundabout Project. Construction is scheduled to begin a year from now.

CLOSED SESSION

It was determined that a closed session of the Board was not required.

ADJOURNMENT

There being no further business a motion was made to adjourn at 11:15 a.m.

MOTION 14-08-05

M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, September 26, 2014 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.

Mike Niccum, Board Secretary